

**INSURANCE REGULATORY TRUST FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF JANUARY 31, 2004**

	January-04				December-03				September-03				Current FYTD	Prior Year FY03	3 Years Ended 6/30/2003	5 Years Ended 6/30/2003
	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net	Net	Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>																
<i>Structured Growth</i>																
Los Angeles Capital	15,210	1.6%	1.5%	1.68%	14,955	1.6%	1.5%	9.12%	13,701	1.5%	1.5%	N/A	N/A	N/A	N/A	N/A
AllianceBernstein	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	-1.88%	-21.24%	-6.07%
<b>Total Structured Growth</b>	<b>15,210</b>	<b>1.6%</b>	<b>1.5%</b>	<b>1.68%</b>	<b>14,955</b>	<b>1.6%</b>	<b>1.5%</b>	<b>9.12%</b>	<b>13,701</b>	<b>1.5%</b>	<b>1.5%</b>	<b>4.99%</b>	<b>16.49%</b>	<b>-1.88%</b>	<b>-21.24%</b>	<b>-6.07%</b>
Russell 1000 Growth				2.04%				10.41%				3.92%	17.08%	2.94%	-21.54%	-5.03%
<i>Structured Value</i>																
LSV	15,495	1.6%	1.5%	2.63%	15,106	1.6%	1.5%	15.66%	13,078	1.4%	1.5%	3.75%	23.15%	-2.25%	8.84%	3.73%
Russell 1000 Value				1.76%				14.19%				2.06%	18.59%	-1.02%	-0.19%	1.05%
<i>S&amp;P 500 Index</i>																
State Street	68,924	7.1%	7.0%	1.84%	67,689	7.1%	7.0%	12.16%	60,344	6.6%	7.0%	2.64%	17.23%	0.23%	-11.28%	-1.69%
S&P 500				1.84%				12.18%				2.64%	17.26%	0.25%	-11.20%	-1.62%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>99,629</b>	<b>10.3%</b>	<b>10.0%</b>	<b>1.93%</b>	<b>97,750</b>	<b>10.2%</b>	<b>10.0%</b>	<b>12.20%</b>	<b>87,122</b>	<b>9.5%</b>	<b>10.0%</b>	<b>3.15%</b>	<b>17.98%</b>	<b>-0.48%</b>	<b>-9.33%</b>	<b>-1.90%</b>
S&P 500				1.84%				12.18%				2.64%	17.26%	0.25%	-11.20%	-1.62%
<b>SMALL CAP DOMESTIC EQUITY</b>																
<i>Manager-of-Managers</i>																
SEI	51,495	5.3%	5.0%	4.64%	49,201	5.1%	5.0%	14.82%	42,842	4.7%	5.0%	9.48%	31.55%	0.09%	N/A	N/A
Russell 2000 + 200bp				4.51%				15.07%				9.60%	31.81%	0.36%	N/A	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>51,495</b>	<b>5.3%</b>	<b>5.0%</b>	<b>4.64%</b>	<b>49,201</b>	<b>5.1%</b>	<b>5.0%</b>	<b>14.82%</b>	<b>42,842</b>	<b>4.7%</b>	<b>5.0%</b>	<b>9.48%</b>	<b>31.55%</b>	<b>0.09%</b>	<b>-3.49%</b>	<b>1.64%</b>
Russell 2000				4.34%				14.52%				9.07%	30.34%	-1.63%	-3.30%	0.97%
<b>CONVERTIBLES</b>																
TCW	102,228	10.5%	10.0%	2.23%	99,921	10.4%	10.0%	9.98%	90,847	9.9%	10.0%	1.85%	14.51%	10.23%	-9.51%	3.90%
First Boston Convertible Index				2.01%				8.54%				2.67%	13.68%	15.46%	-3.77%	5.29%
<b>INTERNATIONAL EQUITY</b>																
<i>Large Cap - Active</i>																
Capital Guardian	78,290	8.1%	8.0%	1.50%	77,278	8.1%	8.0%	13.03%	68,095	7.4%	8.0%	8.14%	24.07%	-10.31%	-15.85%	0.02%
MSCI EAFE - 50% Hedged				1.37%				13.15%				6.58%	22.25%	-11.24%	-15.51%	-5.33%
<i>Small Cap - Value</i>																
Lazard	10,172	1.0%	1.0%	2.80%	9,897	1.0%	1.0%	14.50%	9,243	1.0%	1.0%	9.92%	29.38%	N/A	N/A	N/A
Citigroup Broad Market Index < \$2BN				4.20%				13.31%				15.95%	36.90%	N/A	N/A	N/A
<i>Small Cap - Growth</i>																
Vanguard	11,075	1.1%	1.0%	4.21%	10,620	1.1%	1.0%	14.06%	8,967	1.0%	1.0%	14.95%	36.64%	N/A	N/A	N/A
SSB BROAD MARKET INDEX < \$2BN				4.20%				13.31%				15.95%	36.90%	N/A	N/A	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>99,538</b>	<b>10.3%</b>	<b>10.0%</b>	<b>1.93%</b>	<b>97,795</b>	<b>10.2%</b>	<b>10.0%</b>	<b>13.28%</b>	<b>86,305</b>	<b>9.4%</b>	<b>10.0%</b>	<b>8.97%</b>	<b>25.82%</b>	<b>-9.20%</b>	<b>-15.51%</b>	<b>0.27%</b>
MSCI EAFE - 50% Hedged				1.37%				13.15%				6.58%	22.25%	-11.24%	-15.51%	-5.33%
<b>DOMESTIC FIXED INCOME</b>																
<i>Core Bond</i>																
Western Asset	148,363	15.3%	15.0%	0.98%	146,940	15.3%	15.0%	1.62%	150,661	16.4%	15.0%	-0.16%	2.45%	12.77%	11.23%	8.12%
Lehman Aggregate				0.80%				0.32%				-0.14%	0.98%	10.39%	10.07%	7.54%
<i>Index</i>																
Bank of ND	79,443	8.2%	9.0%	0.89%	78,741	8.2%	9.0%	0.07%	82,417	9.0%	9.0%	-0.46%	0.48%	13.26%	10.87%	7.78%
Lehman Gov/Credit				0.91%				-0.03%				-0.50%	0.38%	13.14%	10.82%	7.83%
<i>BBB Average Quality</i>																
Strong	61,517	6.3%	6.0%	1.09%	60,824	6.3%	6.0%	1.46%	63,158	6.9%	6.0%	0.02%	2.59%	17.91%	N/A	N/A
Lehman US Credit BAA				1.13%				1.22%				0.27%	2.65%	18.33%	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>289,323</b>	<b>29.8%</b>	<b>30.0%</b>	<b>0.98%</b>	<b>286,505</b>	<b>29.9%</b>	<b>30.0%</b>	<b>1.15%</b>	<b>296,237</b>	<b>32.3%</b>	<b>30.0%</b>	<b>-0.21%</b>	<b>1.93%</b>	<b>13.18%</b>	<b>10.80%</b>	<b>7.81%</b>
Lehman Gov/Credit				0.91%				-0.03%				-0.50%	0.38%	13.14%	10.82%	7.83%
<b>CASH EQUIVALENTS</b>																
Bank of ND	327,255	33.8%	35.0%	0.09%	326,950	34.1%	35.0%	0.29%	314,187	34.2%	35.0%	0.30%	0.68%	1.57%	3.26%	4.15%
90 Day T-Bill				0.08%				0.26%				0.25%	0.59%	1.52%	3.33%	4.08%
<b>TOTAL INSURANCE REGULATORY TRUS</b>	<b>969,467</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.19%</b>	<b>958,122</b>	<b>100.0%</b>	<b>100.0%</b>	<b>4.55%</b>	<b>917,540</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2.01%</b>	<b>7.91%</b>	<b>6.74%</b>	<b>1.72%</b>	<b>4.85%</b>
<b>POLICY TARGET BENCHMARK</b>				<b>1.04%</b>				<b>4.11%</b>				<b>1.61%</b>	<b>6.89%</b>	<b>4.94%</b>	<b>1.35%</b>	<b>3.99%</b>

NOTE: Monthly returns and market values are preliminary and subject to change.